

LUXEMBOURG COUNTRY COMMERCIAL GUIDE FY 2002

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1. EXECUTIVE SUMMARY

This Country Commercial Guide (CCG) provides a comprehensive look at Luxembourg's commercial environment. Established by the Trade Promotion Coordinating Committee (TPCC), CCGs synthesize various documents pertinent to U.S. business community interests and provide economic, political, and market analysis. They are prepared annually at U.S. Embassies through the combined efforts of several U.S. government agencies.

Luxembourg, the smallest member-nation of the European Union (EU), is situated among France, Germany, and Belgium in the heart of Europe. Boasting one of the EU's highest standards of living and a record of steady economic growth since 1985, Luxembourg's economy presents a prosperous and diversified business climate. The government is pro-business and the political environment is characteristically stable.

Luxembourg's economy is significantly integrated with the other economies in the region, an attractive feature of its investment climate. Luxembourg is a founding member of the European Economic Community, now the European Union, and a member of the Benelux Economic Union. It also maintains an inter-exchangeable currency with Belgium, prior to full implementation of the Euro in January 2002. Additionally, Luxembourg is the focal point of the Saar-Lor-Lux area, comprising Germany's Saarbrücken region, France's Lorraine region and the Grand Duchy of Luxembourg. As such, Luxembourg provides a unique and opportune entryway into the heart of European commerce.

Though the iron and steel sectors were pivotal in Luxembourg's phenomenal economic growth in the 1950s, 1960s, and 1970s, the country has undergone major restructuring in the past two decades. As a result, it is now one of the world's biggest financial centers and most sophisticated service-oriented economies. Luxembourg maintains five thriving world-class growth sectors including financial services, cargo shipping, steel, satellite transmission, and television and radio broadcasting. A favorable tax environment and bank-secrecy legislation have enabled the financial services sector, specifically banking and insurance, to become Luxembourg's growth leader. Home to over 200 banks, Luxembourg holds the highest banking concentration in the European Union. The government is also highly supportive of diversification into the high tech, information, and communications industries. To that end, it promotes increasing access to and use of the Internet and is committed to developing the requisite infrastructure.

Since the end of World War II, Luxembourg has undertaken measures to attract foreign investment from both large multinationals and smaller companies. The government offers incentives, including tax rebates and credit assistance, to foreign investors desiring to set up subsidiaries in Luxembourg. Its investment regulatory structure is both fair and transparent and its multilingual labor force is efficient and highly productive; labor strife is minimal. Additionally, Luxembourg offers investors an extensive infrastructure network, a tailor-made investment incentive program, easy access to its

government's decision makers, and a stable political and economic environment. These incentives, combined with its ideal location for serving European markets, have helped Luxembourg to attract many major American investors, including Goodyear, DuPont de Nemours, General Motors, and Guardian International.

Additional information on conducting business in Luxembourg is provided by the Commercial Service through a European-wide initiative called Showcase Europe that can be accessed online at <http://www.sce.doc.gov>. Created in April of 1995, Showcase Europe provides information collected by all European Commercial Service offices to assist American companies in conducting business in the European market. As such, it is a one-stop shop for European market information. Through this site, exporters can access Country Commercial Guides, check available industry sector research, and contact the Commercial Service office in a particular country of interest. While there is no fee to use this web site, registration is required.

The Commercial Service at the U.S. Embassy in Brussels also serves American businesses interested in Luxembourg and can be reached at +32/2 508-2425. Additionally, the Commercial Service Brussels web site, <http://www.us-embassy.be>, provides complete details regarding available service. Exporters can also contact local Export Assistance Centers at <http://www.ita.doc.gov/uscs>. The U.S. Embassy in Luxembourg can be contacted by phone, at +352/ 46-01-23.

Country Commercial Guides are available to U.S. exporters from the National Trade Data Bank's CD-ROM, via the Internet at <http://www.stat-usa.gov>, <http://www.state.gov>, and <http://www.mac.doc.gov>, <http://www.USATrade.gov>. Please contact STAT-USA at 1-800-STAT-USA for more information. U.S. exporters seeking general export information/assistance and country-specific commercial information should contact the U.S. Department of Commerce, Trade Information Center by phone at 1-800-USA-TRADE or by fax at (202) 482-4473.

2. ECONOMIC TRENDS AND OUTLOOK

Major Trends and Outlook

Luxembourg is one of the strongest macroeconomic performers in the European Union. Its economy is both stable and prosperous. Luxembourg was ranked the fourth most competitive economy in the world in 2001 by the non-profit International Institute for Management Development. Since 1985, Luxembourg's GDP has grown an average of five percent per year while its inflation and unemployment rates have remained characteristically low. In 2000, Luxembourg achieved economic growth of 8.3 percent, vastly outpacing the European Union average of 3.3 percent. Similarly, it boasted the lowest unemployment rate within the EU —2.6 percent, as well as the highest GDP per capita—43,399 USD. Moreover, Luxembourg's record of economic growth has not been inflationary. In 2000 it had an inflation rate of 2.7 percent. After substantial rises in 1999 and 2000 (due largely to global oil price increases) inflation eased at the beginning of 2001. The gap between Luxembourg inflation and that of its main trading partners was greatly reduced in January and February 2001.

Economic growth has increased employment in Luxembourg, perpetuating its reputation as the EU country with the lowest unemployment rate. In 2000, economic expansion created a net of 13,964 jobs, raising the national rate of employment from 97.1 percent

to 97.4 percent. While growth has led to declining unemployment, it has also created more jobs than Luxembourg can fill through its own labor pool: 8996 of the jobs created in 2000 went to non-Luxembourg residents. In the aggregate, the country is a net exporter of employment. Some 35.6 percent of those employed in Luxembourg are non-permanent residents, many of whom are EU functionaries, diplomats, and/or commuters from Germany, France and Belgium. Favorable job prospects also attract an increasing number of immigrants from within the EU; these now make up 36 percent of the total populace. In particular, Luxembourg hosts a large Portuguese community, accounting for almost 13 percent of its population.

The government recognizes the challenges this level of continued economic growth will create. Becoming a nation of 700,000 inhabitants, as its present level of growth indicates will occur by 2025, will tax the country's generous pension and social security systems and place increasing demands on its infrastructure, including roads, schools, and housing. In response, the government emphasizes pursuit of a sustainable and healthy economy - one which seeks foremost to attract new businesses based on their resourcefulness and sustainability rather than on their potential for job creation alone.

Regional Economic Integration

As Luxembourg earns almost 90 percent of its GDP from foreign trade related activities, integration is a significant facet of its economy. Luxembourg has long been a prominent supporter of European political and economic integration and its economic health is solidly linked to that of its regional and EU partners.

In efforts foreshadowing European integration, Luxembourg and Belgium in 1921 formed the Belgium-Luxembourg Economic Union (BLEU), creating an inter-exchangeable currency and common customs regime. Even after the advent of the European Economic and Monetary Union in 1999, Luxembourg and Belgium have chosen to maintain an inter-exchangeable currency until the Euro comes into physical use in January 2002.

Luxembourg is also a member of the Benelux Economic Union and was one of the founding members of the European Economic Community, now the European Union. Luxembourg coordinates most trade and financial matters with Belgium and the Netherlands. It also participates in the Schengen Group, whose goal is the free movement of citizens among member states.

As a participating nation in EMU, Luxembourg has a representative at the European Central Bank (ECB) in Frankfurt, Germany. In June 1998, Luxembourg's Monetary Institute, a regulator for financial activities in Luxembourg, was transformed into Luxembourg's first national central bank (BCL) in order to comply with EMU convergence criteria. The BCL is a component in the European Central Bank Mechanism (ECBM).

Luxembourg also forms a part of the Saar-Lor-Lux region, comprising Germany's Saarbrücken region, France's Lorraine region and the Grand Duchy of Luxembourg. Straddling the crossroads of European trade, this region is favorably located at the center of Europe. Its unique position provides significant opportunities to access the Single European Market.

The Saar-Lor-Lux region, especially Luxembourg City, is home to myriad leading banks and international financial institutions, making it an important financial and monetary center within the European Union. This regional concentration of activity and capital combined with the presence of large multinationals has contributed considerably to the spectacular growth of the Luxembourg Stock Exchange. The region's ideal position in Euro-issues has transformed it into one of the leading financial markets.

The region also offers access to ample air, rail, and water networks, connecting Luxembourg directly with all major European cities. Paris, Lyons, Frankfurt, Milan, Barcelona, Brussels, and London can be reached directly by highway, railroad, or airplane. In addition, a European network of waterways offers inexpensive transport facilities for heavy goods. The international airport of Luxembourg links the Saar-Lor-Lux region to most major cities in the world. The region continues to modernize its infrastructure. Plans have been set in place to create an ultra-rapid railroad linking Paris to Lorraine, Alsace, Luxembourg, and Germany by 2005.

The greater region also provides a base for most major automobile manufacturers, as well as international leaders in the metal, chemical, pharmaceutical, glass, ceramics, plastics, textile, paper, food, and biotechnology industries. With more than 5000 researchers employed by some 500 laboratories in Metz, Nancy, Trier, Saarbrücken, Kaiserslautern, and Luxembourg, the Saar-Lor-Lux region is one of the world's leading research areas. The region's six universities and more than twenty technical and management schools educate over 130,000 students in fields as varied as data processing, electronics, engineering, medicine, law, management, and economics.

Principal Growth Sectors

Luxembourg's recent economic growth results largely from its success as one of the world's biggest financial centers and most sophisticated service-oriented economies. Specifically, it has prevailed in counteracting the decline of its traditionally prominent steel industry by diversifying into financial and insurance services. Although the iron and steel industry, located along the French border, remains an important sector of the economy, its current growth now lags behind the more dynamic financial sector. Luxembourg has several other thriving world-class growth sectors, including fund management and offshore banking; cargo shipping; satellite transmission; and television/radio broadcasting.

While all sectors of industry and business achieved economic growth in 2000, the finance and insurance sector outpaced the others, experiencing 11.0 percent growth, followed closely by construction (9.9 percent), manufacturing (5.0 percent), and commerce (4.5 percent). This trend is likely to continue.

The steel sector, which was the backbone of Luxembourg's phenomenal economic growth in the 1950s, 1960s and 1970s, has undergone major restructuring over the past two decades. After Luxembourg's steel producer ARBED merged with France's USINOR and Spain's ACERALIA in 2001, the resulting steel production company – temporarily christened “NEWCO” and headquartered in Luxembourg – is currently the world's largest, with a highly diversified product range and production sites in Luxembourg, Spain, France, Germany, Belgium and the United States. ARBED successfully diversified in the 1980s and 1990s and continues to search for further niche markets for processed or semi-processed, highly specialized steel products. It is a

market leader in a variety of products such as galvanized metal sheet and galvanized metal wire.

Luxembourg's financial services sector continues to grow with expedience: employment in the sector rose 10.6 percent in 2000. The banking industry has been the largest contributor to this success. Luxembourg's more than 200 banks now employ over 12 percent of the domestic working population in Luxembourg (an increase over last year), compared with the 1999-2000 EU bank employment of under 2 percent. The number of banks in Luxembourg rose by 0.5 percent from 1999 to 2000, where on average the number of banks in the EU declined by 5.4 percent. The banking balance sheet in Luxembourg rose 11 percent in 2000. Luxembourg's investment fund sector is now considered Europe's largest, currently managing assets of over 859 billion Euro. The government has been working actively with the financial sector to encourage diversification of services and to promote e-commerce and high tech solutions.

Media and communications are also considered principal growth sectors. Luxembourg is home to the powerful television, radio, and internet services conglomerate RTL Group, the result of a 2000 merger between CLT-UFA, Europe's biggest commercial broadcaster, and the television division of Pearson. In May 2001, the European Union approved Bertelsmann AG's acquisition of a controlling share in the group, which will remain headquartered in Luxembourg. Luxembourg's Société Européenne des Satellites (SES), which operates the Astra satellite network, is now one of the world's largest satellite broadcasting services providers. SES plans to transform itself into a global broadband communications system, and purchased GE Americom in 2001.

Government's Role in the Economy

In recent years, the government of Luxembourg has played an important pro-business role in the economy. Fiscal policy throughout the 1990's has been prudent. The present government has instituted many reforms in corporate and personal income taxation, the results of which have been favorable: the abolition of corporate capital gains tax, an overall decrease in personal income tax of 15 percent, and a reduction of 30-40 percent in corporate tax. In 1998, the maximum total effective tax rate stood at 37.45 percent, which consisted of a 30 percent corporate income tax plus municipal business tax. New companies producing new products may apply for tax relief, while investments made by existing companies may qualify for tax credits. In May of 2000, Prime Minister Jean-Claude Juncker confirmed that pro-business tax reforms will be continued: company tax will be reduced from 37.49 percent to 35 percent by January of 2002 and administrative barriers will be dismantled in order to alleviate the burden of excessive red tape for small businesses.

The government also encourages diversification and flexibility within the financial sector. Prime Minister Juncker has expressed the opinion that Luxembourg should not make the mistake of concentrating solely on private banking services, but should instead strive for leadership in a range of financial services. The government also places heavy emphasis on increasing Luxembourg's role in the new information society economy. Juncker has pledged to maintain a business environment attractive to information technology and communications firms. To that end, the government will maintain competitive tax rates and salaries, low social security charges, state-of-the-art infrastructure and a well-trained workforce. Luxembourg's 2001 budget significantly increased the financial resources

dedicated to programs designed to promote acceptance and use of IT and the Internet, in accordance with the e-Luxembourg plan.

Government policies also promote Luxembourg's development as an audiovisual and communications center. Radio-Television Luxembourg (RTL) is Europe's premier private radio and television broadcaster. The government-backed Luxembourg satellite company Société Européenne des Satellites (SES) was created in 1986 to install and operate a satellite telecommunications system for transmission of television programs throughout Europe.

Balance of Payments

Although Luxembourg usually registers a deficit in trade of goods, a surplus in earnings from financial services contributes to a persistently large current account surplus. Net current account surplus has declined over the last two years. However, Luxembourg's performance remains strong in relative terms. Exports are expected to increase by 8% in 2001 and imports are expected to increase by 7.6% in 2001. In addition, foreign exchange reserves are expected to reach USD 88 billion by the end of 2001, compared with USD 76.5 billion in 2000.

The current account surplus can be credited largely to Luxembourg's performance in the services sector. Net transactions in services rose 12 percent in 2000 to total 147 billion LUF, up from a surplus of 131 billion LUF in 1999. Financial services in particular have been credited with at least half of this rise. Performance in the services sector counterbalances Luxembourg's rather consistent deficit in trade of goods: services transactions accounted for 81.4 billion LUF in 1998, 106 billion LUF in 1999, and 104.2 billion LUF in 2000. Both the level of exports and imports remain relatively stable, the latter fluctuating significantly only when large capital purchases are made in the aviation sector, such as Cargolux's purchase of two Boeing 747's in 1999.

Luxembourg conducts the majority of its trade with other EU countries, in particular its immediate neighbors France, Belgium, and Germany. Its trade balance with the United States is dominated by steel exports but can fluctuate widely depending on purchases of large capital goods, such as aircraft and satellites.

Infrastructure

The government of Luxembourg is committed to the belief that a strong economy cannot exist without effective infrastructure. In relative terms, Luxembourg spends a greater percentage of its GDP on infrastructure than any other European nation. As a result, Luxembourg has a well-developed transportation system, including excellent rail, water, and air networks, and is currently enhancing its information technology infrastructure.

Luxembourg, which has no source of natural energy, is developing its own electricity generating capacity. Between 1999 and 2000, Electricity production rose by 10 percent in Luxembourg, the highest increase in the EU and is expected to continue at least at this level for the near future. Meanwhile, energy imports also increased by 3.2 percent over the same period. Together with the UK, Italy, the Netherlands, and Finland, Luxembourg is one of the largest net energy importers in the EU.

Luxembourg's railway network has been fully electrified. The government plans to introduce new legislation by the end of 2001 allocating 12 billion LUF to improving the national railway infrastructure. This money will be aimed specifically at enhancing rail security, increasing transport capacity and efficiency. Waterways have been developed to link the Grand Duchy to the Rhine, the North Sea, and the rest of Europe through the now canalized Moselle River. Since a 1995 agreement, Luxembourg and the United States have shared open sky aviation rights. Luxembourg's largest airline, Cargolux, ranks among Europe's top ten air cargo carriers. Cargolux, currently operating ten Boeing 747-400F (with two more on order) and five chartered aircraft, offers several direct flights between Luxembourg and the United States. In 2000, Cargolux transported its highest total ever of 432,404 metric tons. Cargolux's management predicts further growth, and plans to expand its routes.

Luxembourg's commitment to enhancing the infrastructure it needs to support the high tech, information, and communications industries is already evident: 51 percent of households own a personal computer, one in three Luxembourgers has access to the Internet, and one in two owns a mobile phone. Classroom connectivity is also impressive: 40 percent of primary schools and 100 percent of secondary schools have access. Though this record is strong by European standards, the government seeks improvement. In May of 2000 it put forth its plan for an information technology offensive known as e-Luxembourg. In accordance with this plan, the 2001 government budget significantly increased financial resources aimed at promoting the use, acceptance, and accessibility of information technology. The government also plans to implement e-commerce regulations to protect customers against the risks of on-line shopping, and to introduce broadband mobile phone infrastructure based on the UMTS standard.

3. POLITICAL ENVIRONMENT

Nature of political relationship with the United States

With Europe's highest per capita income, an open trade and investment climate, and active participation in the EU, NATO and some 50 other European and international entities, Luxembourg is an important element of the Euro-Atlantic Partnership for the 21st Century. Under the Christian Social-Liberal (CSV/DP) party coalition elected in June 1999, Luxembourg has affirmed its European identity and allegiance to the EU while maintaining firm support for a continued U.S. presence in the region and for humanitarian concerns worldwide. As a founding member of both NATO and the EU, Luxembourg is well positioned to promote transatlantic security through development of a European Security and Defense Policy within a NATO context. On international trade issues, Luxembourg follows the EU consensus – although the government is resistant to changes that may undermine the country's profitable off-shore banking industry, which represented 18 percent of foreign exchange earnings and 47% of all tax revenues in 1999, and its bank secrecy laws. The bonds between our two societies are strong, as reflected by the numerous cultural and other associations nurtured by the pro-American sentiment of the post-war generation. Luxembourg also offers a welcoming environment for U.S. businesses. Nearly 60 U.S. companies currently operate in Luxembourg, including major industrial entities such as Goodyear, Dupont, and Guardian Glass.

Major Political Issues Affecting Business Climate

Three important political issues will continue to affect the business climate as Luxembourg maneuvers to establish and consolidate its place in an expanding Europe: tax harmonization, bank secrecy and EU institutional reform. Luxembourg has been deemed better prepared for the single currency than any other EU member because of the significant role played by its banks in both the Eurobond market and the European Currency Unit (ECU) bond market. Luxembourg was also the first EU member to meet Maastricht qualifying criteria for the Euro. Tax harmonization measures in the EU are expected to include the imposition of withholding tax at source, which did not previously apply in Luxembourg. Financial experts expect that although some instruments will disappear due to the tax harmonization, others will emerge. It is predicted that European fund management will gain momentum comparable to that of the U.S. fund market. Moreover, the movement toward necessary pension reforms in Europe will benefit existing fund management centers like Luxembourg. Already serving as the banker for large numbers of clients from surrounding countries, Luxembourg now harbors ambitions to be home to their pension funds, which might help to balance the downturn in the banks' earnings from domestic operations after the introduction of the Euro. Prime Minister Jean-Claude Juncker, whose Christian Social Party (CSV) received the largest vote in June 1999 elections, is resisting pressure from the OECD to cut benefits and increase labor market flexibility, which would address the country's low unemployment.

There has also been pressure to reform Luxembourg's lack of withholding tax on earnings from deposits and financial instruments, minimum reserve requirements, and bank secrecy rules. The government defends Luxembourg's reputation against charges that it is used as a tax haven as well as a money laundering and has issued legislation extending the scope of existing money laundering laws. Luxembourg accepted the EU's June 2000 Feira Summit proposals for a gradual elimination of national legislation permitting bank secrecy, but only under strict conditions of voluntary unanimity. At the Summit and in public declarations since, members of the government have warned of their readiness to apply their power of veto, particularly should a marked decrease in national revenues be observed as a result of the proposed measures. At the same time, the government is exploring areas for future diversification. Because a sizeable percentage of national revenue is generated by small- and medium-sized companies, efforts at attracting such businesses have been redoubled, with measures taken including enhanced tax breaks for new start-ups. Similarly, because it recognizes the economic potential of the burgeoning e-commerce industry (particularly as it applies to the financial sector), Luxembourg has been avidly supporting all EU initiatives in that area.

The political implications of European enlargement are clear for Luxembourg in its capacity as the smallest member state. In order to maintain its voice in the Union and protect its national interests both political and economic, Luxembourg has supported an institutional reform which guarantees qualified majority votes at the Commission, balances institutional relations with the European Parliament, and allows member states to set their own pace in the application of Community directives based on national needs and abilities. On an institutional level, the government has taken steps to carve a unique role for Luxembourg based on the country's specific strengths and limitations. This role will include increased participation in addressing human rights and development concerns world-wide, and it can be expected to affect the country's business climate insofar as it will encourage the development of a hitherto fledgling non-profit industry.

Synopsis of the Political System

The Grand Duchy of Luxembourg is a representative democracy in the form of a constitutional monarchy. While the Grand Duke is the titular head of state, the head of government is the Prime Minister, a post currently held by Jean-Claude Juncker of the Christian Social Party (CSV). The Prime Minister is assisted in the exercise of executive power by the members of his government (currently 12 ministers whose portfolios cover 25 ministries, each responsible for a specific branch of administration). The exercise of legislative power rests with the unicameral Chamber of Deputies, whose sixty members are elected to five-year terms. The last election took place in June, 1999. The Conseil d'Etat, comprised of one member of the royal family and 20 ordinary citizens appointed by the Grand Duke, performs some of the functions of an upper house, reviewing all proposed legislation before it passes to the Chamber for a vote. While the Grand Duke's role in government is now largely ceremonial, the Royal Family still enjoys widespread popular support and is perceived by most Luxembourgers as a symbol of national identity. Grand Duke Henri has been the head of state since the October 7, 2000 abdication of his father, Jean, who had ruled since 1964.

Since 1919 when universal suffrage was first introduced, Luxembourg citizens over the age of eighteen are legally bound to vote in all elections. Luxembourg enjoys one of the most stable political systems in Europe, with coalition shifts and changes in government occurring rarely, transpiring smoothly, and traditionally oscillating only minimally between the center-right and the center-left. Such political stability was demonstrated in the apparently seamless transition from the longstanding CSV(Christian Social)/LSAP (Socialists) coalition to a CSV/DP (Liberal Party) coalition in the June, 1999 national elections. While the CSV, DP, and LSAP constitute the primary political orientations and have traditionally dominated Luxembourg politics, several smaller parties flourish. These include: the ADR (an offshoot of the Liberal Party), Déi Gréng (Green and Liberal Alliance) and Déi Lénk (Left Alliance). Political stability and traditional centrist orientation consolidate Luxembourg's support for private enterprise and successfully foster an economic and social climate conducive to foreign investment. Elections for the municipalities are organized every six years and will next take place in October 2005. Local government elections are subdivided into three administrative districts: Diekirch, Grevenmacher, and Luxembourg. The district commissioners serve as intermediaries between the central Government and the 118 municipalities. The judicial branch consists of the Cour Supérieure de Justice (Superior Court of Justice) whose judges are appointed for life by the Grand Duke.

4. MARKETING U.S. PRODUCTS AND SERVICES

Distribution and Sales Channels

Increasing numbers of companies are selling into the Luxembourg market through distributors and agents. The new-to-market American company will find well-established representatives in virtually every industry sector in Luxembourg. Frequently, their territory is larger than just Luxembourg, and often extends to the Benelux (Belgium, the Netherlands, and Luxembourg) and other neighboring European countries as well. Well-established distributors in certain sectors may be reluctant to take on new product lines due to various business constraints, notably the lack of access to quick and affordable financing and high social costs for additional employees.

Considering the host of distribution options available in Luxembourg, it is important for the would-be exporter to select the method best suited to his or her product. Luxembourg buyers generally prefer to purchase through an intermediary; selling directly to the end-user is not a common practice. However, sales of expensive, technically sophisticated goods are an exception to this rule.

Use of Agents and Distributors; Finding a Partner

Intermediaries may take one of three primary forms under Luxembourg law: distributor, agent, or salaried representative.

Distributor

A distributor is an individual or legal entity who purchases goods directly from a producer for the purpose of resale. The distributor operates independently, and is only bound by the written provisions of the distribution agreement. These agreements, however, are subject to specific rules and regulations regarding exclusive distribution and price-fixing.

The conditions of contract termination are an important concern, and vary with the type of distribution agreement. Either party without prior notification or indemnification may terminate a distribution agreement of specified duration at the end of the contract period. If the termination takes place before the end of the contract period, the terminating party may be sued for breach of contract.

After a fair notice period, usually six months, either party may terminate a distribution agreement of an unspecified duration without indemnification. The termination of such a contract by the producer without fair notice may be grounds for damage claims by the distributor.

Agent

This category covers commercial agents as well as those persons acting as agents but not fulfilling the requisites of commercial agent status. Unlike distributors, agents do not actually purchase goods for resale. Instead, they match up buyers and sellers on a commission basis. All agents exercise their activities in an independent manner, and their principals are exempt from payment of payroll taxes. Agents assume their own fiscal charges (i.e. business license tax and value-added tax) and social charges.

Commercial Agent

Agents with a written contract have the status of agents commerciaux (commercial agents) if they exercise their activity as a sustained independent profession and fulfill certain conditions. They negotiate sales and purchases on behalf of producers, manufacturers or dealers; do not have a written employment contract; and are registered with the Tribunal of Commerce as commercial agents.

A commercial agent is independent and free to act on the behalf of any other firm. However, in the case where the agent wishes to represent one of his or her principal competitors, consent of the principal must be secured.

The principal may justifiably terminate the commercial agent contract only if the agent shows substantial deficiency in carrying out his or her obligations. Otherwise, contract termination gives the agent a right to indemnification, often equal to two years commission.

Other Agents

Persons who do not fulfill all the requirements for commercial agency, and who are not in a position of subordination to the company they represent, are considered agents. Notarized act or private agreement can effect authorizations of an agent. Either party may terminate the agency agreement at will, but the non-terminating party has a right to indemnification of losses.

Salaried Representatives

Unlike agents, salaried representatives have employment contracts. They and their employers share the burden of payroll taxes, contributions to social security, unemployment compensation, and retirement/pension plan contributions.

Statutory Representatives

Regardless of qualifications or title, persons are considered statutory representatives if they exercise their activity as a sustained independent profession and fulfill certain conditions, including:

- Engaging in the activity of a sales representative for the account of one or more employers
- Desisting from executing commercial operations on their own behalf
- Instituting mutual commitments with employers regarding the nature of the goods or services offered for sale, the region of activity or the category of clients, and the rate of compensation.

Non-statutory Salaried Representatives

Representatives who are subordinate to their employers and who do not fulfill the requisites for statutory representative status fall into a separate category and are considered regular employees.

Finding a Partner

The U.S. Department of Commerce's International Trade Administration offers several services to help the would-be exporter identify potential foreign representatives. The three primary services available from the Foreign Commercial Service in Belgium are the Gold Key Matching Service, the International Partner Search (IPS) and Industry Targeted Mailings. Brief overviews of these services are as follows:

Gold Key Matching Service and Video Gold Key Matching Service—Custom tailored services that combine orientation briefings, market research, appointments with potential partners, interpreter service for meetings, and assistance in developing follow up strategies. Video services also can be provided.

International Partner Search (IPS)—Customized overseas search for qualified agents, distributors, and representatives for U.S. firms. For each IPS, commercial officers identify up to six foreign prospects that have expressed interest in the U.S. firm's product.

To request any one of these services, firms should contact the nearest U.S. Department of Commerce District Office.

In addition, the U.S. Department of Commerce offers a Franchise Partner Search Service (FPSS), Customized Market Analysis (CMA), and Flexible Market Research

(FMR) Programs. The U.S. Commercial Service has also launched a website at <http://www.buyUSA.com>. BuyUSA is a unique e-marketplace sponsored by the U.S. Department of Commerce and IBM to provide trade opportunities for U.S. exporters and international companies.

Contacting and Evaluating Potential Representatives

Once an American company has identified several potential representatives, it should contact them directly in writing. Just as the American firm is seeking information on the Luxembourg representative, the representative is interested in corporate and product information on the American firm. The American firm should provide full information on its history, resources, personnel, the product line, and previous export activity as well as any other pertinent information.

At the same time the firm is providing information on itself, it should also engage in a thorough investigation of the potential representative. The following is a list of important facts the firm should endeavor to find out:

- current status and history, including background on principal officers, personnel and other resources
- sales territory covered
- current sales volume
- typical customer profiles
- methods of introducing new products into the sales territory
- names and nature of American firms currently represented
- trade and bank references
- and, assessment of whether the American firm's special requirements can be met and view of in-country market potential for the American firm's products.

The American firm should not hesitate to ask potential representatives or distributors detailed questions. Exporters have the right to explore the qualifications of those who propose to represent them overseas.

Joint Ventures/Licensing

Numerous individuals, professional organizations, service companies, financial organizations, and consultants from all disciplines are prepared to advise and assist parties considering joint ventures and licensing in Luxembourg. The American Chamber of Commerce in Luxembourg is particularly active and has several effective action committees.

Steps to Establishing a Subsidiary

According to Luxembourg law, a business (commerce) is any person or company earning a living either full-time or part-time by means of trade. Generally, trade embraces activities including industry, distribution, banking, transport and the services sector. This diversity of activities is reflected in the responsibilities of the Chamber of Commerce, and the following description applies to all sectors of the economy except for agriculture and the skilled craft trades.

Under Luxembourg law, the status of a businessperson has three main consequences:

1. Litigation between businesspeople is settled before the Commercial Court, acting under special rules of procedure
2. Business may be declared insolvent. The effect of insolvency is the seizure of the business' assets and its liquidation by the court
3. A business is subject to a number of special provisions governing economic activity; they include rules on proof of transactions, book-keeping, advertising, and competition

Selling Factors/Techniques

In addition to being very competitive and sophisticated, language may be factor in selling products in Luxembourg. Goods must be labeled in one of the three official languages: French, German, or Luxembourgish (Lëtzebuergesch).

U.S. companies are advised to quote prices on a Cost Insurance Freight (CIF), based on the Belgian sea or airport basis. This is standard practice for most exporters since it facilitates comparisons with EU supplier prices, which need no further adjustment for import duties and are usually quoted on a delivered warehouse basis.

Advertising and Trade Promotion

Commercial News USA is a monthly magazine published by the U.S. Department of Commerce that publicizes products and services of American firms seeking agents, distributors, joint venture partners, or purchasers abroad. It is distributed overseas by U.S. embassies and consulates to a controlled circulation of more than 143,000 business readers in 152 countries including Luxembourg. For more information or to obtain a copy, please contact the Commercial Service in Belgium at +32/2 508-2425.

The American Chamber of Commerce, which represents American companies operating in Luxembourg and Luxembourg firms with U.S. business interests, also publishes a magazine, which goes to its members. The Chamber's magazine reaches a clientele of particular interest to American exporters. Rates are available from the AmCham by telephone at +352/ 42-39-39-39

Local Publications

Daily (major newspapers)

Letzebuenger Journal (German)
123, rue Adolphe Fischer
L-1940 Luxembourg
Tel: +352/ 49 30 33 1
Fax: +352/ 49 20 65
www.journal.lu

Luxemburger Wort (German, with some French)
2, rue Christophe Plantin
L-2988 Luxembourg
Tel: +352/ 49 93 1
Fax: +352/ 49 93 384
www.wort.lu

Tageblatt (German)
44, rue du Canal
L-4050 Esch-Sur-Alzette
Tel: +352/ 54 71 31 1
Fax: +352/ 54 71 30
www.tageblatt.lu

Weekly

Le Jeudi (French newspaper)
13, rue du Marché aux Herbes
L-1728 Luxembourg
Tel: +352/ 22 05 50
Fax: +352/ 22 05 44
www.le-jeudi.lu

Letzebuerger Land (German/French)
59, rue Glesener
L-1631 Luxembourg
Tel: +352/ 48 57 57 1
Fax: +352/ 49 63 09
www.land.lu

Luxembourg News (English magazine)
25, rue Philippe II
L-2340 Luxembourg
Tel: +352/ 46 11 22
Fax: +352/ 47 00 56
www.news.lu

Monthly

Agefi (French business/finance newspaper)
111b, route d'Arlon
L-8311 Capellen
Tel: +352/ 30 57 57 1
Fax: +352/ 30 56 01
www.agefi.lu

Luxembourg Business (English)
25, rue Philippe II
L-2340 Luxembourg
Tel: +352/ 46 11 22
Fax: +352/ 47 00 56
www.news.lu

Echo d'Industrie (French business journal)
7, rue Alcide de Gasperi
L-1615 Luxembourg
Tel: +352/ 43 53 66 1

Fax: +352/ 43 23 2

Pricing a Product

Luxembourg is a highly competitive market; the Luxembourg importer is looking for the best quality at the lowest price. American products and technology are highly regarded, but they do not command higher prices than competitive products available from within the EU or other third country exporters. While Luxembourg is an important market in its own right, it is also the country of entry for many imports destined to be redistributed throughout Europe. This environment gives Luxembourg buyers access to a wide range of products at competitive prices in their own market.

Selling to the Government

Although the objective of EU Directives has been to open government procurement to foreign companies, in practice it is still advisable to work with a locally established company that has the appropriate contacts and local market expertise. Purchases by government or local entities are subject to procurement by public tender. Thresholds for public tenders are as follows:

- | | |
|------------------------------------|--|
| • Works Directive (93/37/EEC): | USD 5.35 million |
| • Supplies Directive (92/36/EEC): | USD 214,000 |
| • Services Directive (92/50/EEC): | USD 214,000 |
| • Utilities Directive (93/38/EEC): | USD 428,000 (water, energy, & transport) |
| | USD 640,000 (telecom) |
| | USD 5.35 million (works) |

For an explanation of the European Union and its governing European Directives (laws), please refer to the EU Commercial Guide.

Protecting Your Product from IPR Infringement

The intellectual property rights granted under U.S. patent, trademark or copyright law can only be enforced in the United States, its territories and possessions. The EU, for its part, has taken a number of initiatives to provide intellectual property protection, but not all measures have been implemented. In cases of non-implementation, national laws still prevail.

Patents

Luxembourg is a member of the World Intellectual Property Organization (WIPO) and the European Patent Convention (EPC). A single European patent, valid throughout the EU, does not yet exist. The Community Patent was created by the 1975 Luxembourg Convention, but has not yet come into force because it has not been ratified by the twelve signatory member states. In the meantime, a patent applicant can choose between a national and a multiple-country patent. In the latter case, a single application to the European Patent Office in Munich (European Patent Office, Erhardstrasse 27, D-80331 Munich, Germany, Tel: +49/89 2399-0, Fax: +49/89 2399-4465, <http://www.european-patent-office.org>) is required for obtaining patents valid in a number of countries within the EU, Liechtenstein, Monaco, and Switzerland. A patent thus

granted is valid in Luxembourg only when a copy of the grant is in one of Luxembourg's three national languages (French, German or Luxembourgish) and is filed with the Luxembourg Office of Industrial Property described below.

To obtain a national patent in Luxembourg, the inventor on his/her assignee must file a request with the Office of Industrial Property in the Ministry of Economic Affairs. After a search of the European Patent Office in Munich, if requested by the inventor, the Luxembourg government will issue the patent without guarantee of patentability. National patents are valid for twenty years if a search has occurred. If not, the validity is reduced to six years. Once granted, the patent is registered with the Register of Patents, again located in the Ministry of Economic Affairs.

Trademarks

An EU Trademark Office has been established in Alicante, Spain. Trademark registration can be handled through this office.

Trademarks in Luxembourg have been regulated by the Uniform Benelux Law of 1962, which offers protection in Belgium, the Netherlands, and Luxembourg. A trademark application can be filed with the Luxembourg Intellectual Property Office in the Ministry of Economic Affairs (<http://www.etat.lu/EC>) or with the Benelux Trademark Office located in the Netherlands.

A search is required to ascertain the non-existence of a similar or identical trademark for the same category of product. If granted, protection lasts for ten years from the date of application and can be renewed for further periods of ten years each. Trademarks must be used within three years of registration or within any uninterrupted period of five years.

EU Trademark Office
Avenida de Aguilera, 20
03006 Alicante Spain
Tel: +34/96 513-9100
Fax: +34/96 513-9173

Benelux Trademarks Office
Bordewijklaan 15
NL-2591 XR Den Haag
(The Hague)
Tel: +31/70 349-1111
Fax: +31/70 347-5708

Need for A Local Attorney

Luxembourg is not a highly litigious country. Nevertheless, American companies should consult local attorneys when drawing up an agency or a distribution agreement. The standard U.S. agreement, which often applies U.S. law, will not suffice in Europe. Local attorneys are also needed when registering patents, trademarks, or copyrights. Lastly, local legal advice is essential when setting up an office or when establishing a distribution, service, or coordination center. The U.S. Embassy in Luxembourg maintains a list of local lawyers specializing in business transactions in Luxembourg and Europe.

Performing Due Diligence, Checking Bona Fides of Banks, Agents, and Customers

The Commercial Service ended the International Company Profile service earlier this year. If companies are interested in obtaining financial and other related information about companies in Luxembourg, they can contact the local Dun and Bradstreet office in the United States who can provide the information. In addition, information for the Brussels branch, which handles Luxembourg companies, is included below.

Dun & Bradstreet Headquarters
One Diamond Hill Road
Murray Hill, NJ 07974-1218
Tel: (908) 665-5000
Fax: (908) 665-5803

Dun & Bradstreet Eurinform S.A.-N.V.
Avenue des Pléiades 73 Plejadenlaan
1200 Bruxelles- Brussel
Tel: +32/2 778-7211
Fax: +32/2 778-7272
<http://www.dbbelgium.com>

5. LEADING SECTORS FOR U.S. EXPORTS

The following market analysis describes major growth areas that offer American companies excellent business opportunities:

Best Prospects for Non-Agricultural Goods and Services

Transportation

Luxembourg's Findel airport is a strategic center for air transport in the heart of Europe. It is located five miles from the city center. There are excellent opportunities for American companies looking to do business in the expanding airport and air transport sectors. Two growing national carriers are based at Findel: Luxair, its passenger airline, which flew over 1.111 million passengers in 2000 (up 6.3%) and Cargolux, its international airfreight carrier. Cargolux was founded in 1970 and is now one of the world's largest air cargo carriers, handling 432,404 metric tons of airfreight in 2000, up from 377,550 in 1999. Cargolux flies on a regular basis to numerous destinations worldwide, including many U.S. destinations such as New York, Houston, Seattle, San Francisco, and Los Angeles. Recently, Findel has been expanding its passenger and cargo handling capacity to accommodate the growth of its carriers. Despite the country's small size, it is an important logistical point serving the large community of EU officials, international financial services personnel, and the growing number of travelers from the neighboring Saarland and Lorraine regions.

Cargolux operates an all-Boeing 747-400F fleet of ten aircraft, giving it the most modern and youngest fleet of any leading international cargo airline, with an average age of only 2.3 years. Boeing will deliver two additional 747-400F in August 2001 and September 2002. In conjunction with its acquisition of the world's first B747-400F simulator, Cargolux is building a new training facility in Luxembourg. Cargolux had an operating profit of USD 36 million and a revenue of USD 739 million in 2000. The acquisition of its new aircraft and a new alliance with Swisscargo will allow Cargolux to maintain its position among the top five international airfreight carriers.

To develop its European traffic, Luxair has continued to expand as a major regional European carrier by investing in new jets in order to migrate to an all-jet fleet. In total, Luxair has placed firm orders for nine Embraer ERJ 145 Eurojet with the option for two more. The addition of the new jets allowed Luxair to add six new destinations (Bologna, Florence, Dublin, London City, Stuttgart, and Stockholm) during the winter 1999/00 season as part of its efforts to develop a regional hub strategy.

Steel

After the Luxembourg ARBED Group's 2001 merger with France's USINOR and Spain's ACERALIA, the resulting steel producer, temporarily christened "NEWCO" and headquartered in Luxembourg, is currently the world's largest, with a highly diversified product range and production sites in Luxembourg, Spain, France, Germany, Belgium, and the United States. ARBED successfully diversified in the 1980s and 1990s, and had been a market leader in a variety of products such as galvanized metal sheet and galvanized metal wire.

ARBED viewed the continuing process of restructuring and consolidation in the European steel industry as an important factor in its future health. The ARBED Group's consolidated turnover in the financial year 2000 amounted to a record 13,232.0 million Euro, after 10,652.4 million Euro in 1999, an increase of 24.4%. The flat products sector achieved a turnover of 5,386.1 million Euro in 2000, an increase of 22.6%; The long products sectors' turnover amount of 3,310.5 million Euro in 2000 was an increase of 10.8% from 1999; The stainless steel sector turnover increased 39.7% to 945 million Euro in 2000, from 676.4 million Euro in 1999; and also the other sectors, of which mainly the distribution and trading activities, increased turnover by 38.3% to 3,590.4 million Euro after 2,595.5 million Euro in 1999.

Media

In line with the EU's policy of television without frontiers, the Luxembourg government supported the creation of the private satellite company Société Européenne des Satellites (SES). It was created in 1985 to operate a communication system by satellite for transmission of television programs throughout Europe.

The ASTRA satellite broadcasting system and one of Europe's biggest commercial TV companies, Compagnie Luxembourgeoise de Télédiffusion, operate from SES headquarters. These very successful companies were created as a result of Luxembourg's decision to grant a franchise to private investors to exploit the satellite positions it had been allocated. The plan was to send satellites into space capable of beaming TV and radio signals back to earth, and then to rent their capacities to broadcasters. A decade later, demand has far outstripped the original forecasts, due partly to the development of digital technology. Currently, the fleet of eleven ASTRA satellites broadcasts to over 87 million households throughout Europe and carries more than 1000 digital and analogue TV and radio services. As of year-end 1999, ASTRA's market share within satellite and cable was 86.2% of the European market.

In 2000, ASTRA attained strong growth in both revenues and earnings. Revenues rose 15.3% from the previous year to 835.9 million Euros. Profits also increased, up 21.5% from 1999 to 244.5 million Euros. In addition to strong growth, ASTRA also announced other banner events such as a 34% stake in AsiaSat Telecommunications Holdings Ltd., the launch of digital services in 2 new major European markets, 50% stake in the Nordic

Satellite Company (NSAB), 19.99% stake in Star One (the largest satellite fleet over Latin America), and the acquisition of full ownership and commercial control of ASTRA-NET. ASTRA-Net links satellite broadcasting with personal computers and had been a joint venture that SES created with Intel. SES purchased GE Americom in 2001, giving it a substantial presence in the US market.

In 2000, the merger of Luxembourg-based European media leader CLT-UFA and the television division of Pearson created RTL Group, a powerful new media conglomerate. In May 2001 the European Union approved German firm Bertelsmann AG's acquisition of a controlling (67%) share in RTL Group. The conglomerate, which will remain headquartered in Luxembourg, is a leader in the European radio and television industry, spanning broadcasting, content, and online activity. It is the largest independent distribution company outside the U.S., distributing over 200 programs in 35 countries and controlling 18 radio stations and 24 television channels in 10 countries. In 2000, RTL Group's earnings before taxes and interest amounted to EUR 316 million, a 46% increase from EUR 217 million in 1999.

Telecommunications

Luxembourg was slow in implementing the European Directives to fully liberalize the telecommunications sector. P&T Luxembourg's voice telephony and public telecommunications monopoly was abolished on July 1, 1998. Applications for licensing can be obtained from the Institute of Telecommunications – Luxembourg (ILT) at www.etat.lu/ILT. ILT further forwards recommendations to the Minister of Communications, who ultimately grants or declines applications. As of 1999, nineteen licenses had been granted to a variety of companies covering the fixed telephony, pre-/post-paid mobile, calling card, and internet markets. For further information, please consult the Telecommunications Profile of Luxembourg available from the U.S. Embassies in Luxembourg and Brussels and available on the National Trade Data Bank (NTDB).

Finance

Banking and insurance have long overtaken steel as the most important sector in the economy, and continue to show strong dynamism. In 2000 the financial sector employed approximately 12.5 percent of the total workforce, and saw the strongest growth (+11%) for the past 10 years. A rise in profits went hand in hand with this expansion. They grew substantially during 2000 (up 28.6%), after losing ground in 1999 owing to exceptional profits in 1998. The net asset value of Luxembourg Undertakings for Collective Investment (UCI) surged by 49.3% in 2000, despite an unfavorable shift in financial markets. However, this robust expansion has been showing signs of tiring since November 2000, owing to losses in value due to asset depreciation.

Tax rebates, assistance in obtaining credit, and a host of other incentives are offered to companies intending to set up in Luxembourg. Fiscal legislation which dates from 1929 favors banks and holding companies. A severe law against the laundering of drug money has been in effect since 1992. In 1999, this law was extended to include the laundering of money resulting from all criminal activity.

Over 200 banks, 1200 investment funds, 340 insurance and re-insurance companies, and 19,000 domiciled holding companies, (many being "letter-box" companies) benefit from a favorable tax environment and bank-secrecy legislation. This presence represents the largest banking concentration in all of the European Union.

Large insurance and re-insurance companies have set up subsidiaries in the capital. Luxembourg is positioned to become one of the major European centers in this sector: It is reputed to handle a major share of the EU's insurance business as a result of the favorable fiscal regime it provides for insurance companies.

Clearstream International is one of the largest financial institutions in Luxembourg. On May 14, 1999, Cedel group and Deutsche Börse Clearing announced a merger creating New Cedel International to be the basis for a single European clearing organization on the model of the Depository Trust Company (DTC). The company was renamed Clearstream International on October 28, 1999. The goal of the new organization is to create a pan-European clearinghouse. Clearstream is divided into Clearstream Banking Luxembourg (CBL), Clearstream Banking Frankfurt, and Clearstream Services, and is headquartered in Luxembourg. This creation of the European clearinghouse is enabling the new CBL to offer customers standardized procedures and access to the entire securities market.

Clearstream Banking Luxembourg (CBL) received the same S&P AA+ long-term and A+ short term counterparty credit ratings as were held by Cedelbank. With costs from structural changes weighing down 2000 figures, CBL had a 2000 operating profit (before tax and provisions) of EUR 72.2 million, down from EUR 92.1 million in 1999, and a 2000 gross operating income of EUR 699.4 million, up from EUR 587.6 million. Despite this, net profit for the year increased by 213% to EUR 83.7 million. CBL sees a move toward pan-European alliances and new business models for the stock exchange and central securities depositories. New opportunities and new competitive arrangements for capital market infrastructures will result.

Luxembourg has a small, but active stock exchange, which has a pre-eminent position in the Eurobond Sector. The Luxembourg stock exchange has concluded a cooperation agreement with EURONEXT, the new Brussels, Paris, and Amsterdam exchange, which began operations in early 2001.

Major Banks in Luxembourg

BANQUE CENTRALE DU LUXEMBOURG

2, boulevard Royal
L-2983 Luxembourg
Tel. 35-2-47.74.1
Fax 35-2-47.74.49.01
<http://www.bcl.lu>

The Luxembourg Central Bank (BCL) was established in June 1998 to comply with the requirements for Luxembourg's entry into the European Monetary Union. The BCL started its activities on January 1, 1999 as a member of the European System of Central Banks (ESCB).

KREDIETBANK S.A. LUXEMBOURGEOISE

Boulevard Royal, 43
L - 2449 Luxembourg
Tel. 352-47.97.1

Fax 352-47.26.67
<http://www.kbl.lu>

Banque Continentale du Luxembourg S.A.
2, boulevard Emmanuel Servais
L-2535 Luxembourg
Tel. 352-47.44.91
Fax 352-47.76.88.208

Kredietbank SA Luxembourgeoise (KBL) was incorporated in Luxembourg on May 23, 1949 as a public limited company. It belongs to the Almanij-Kredietbank Group, a Belgian company, registered in Antwerp. As a member of the Almanij-Kredietbank Group, the bank belongs to an international network of affiliated companies, subsidiaries, branches and representative offices present in the main industrial countries and international financial centers. In 1999, the group acquired Merck Finck & Privatbankiers (Germany).

BANQUE ET CAISSE D'EPARGNE DE L'ETAT (State and Savings Bank)

Place de Metz, 1-2
L – 1930 Luxembourg
Tel. 325-40.15.1
Fax 352-40.15.20.99
<http://www.bcee.lu>
E-mail: info@bcee.lu

BCEE offers the following products and services to businesses: business advice, financial services (cash flow management, investments financing, international activities management and business insurance), e-commerce and e-banking.

BANQUE GENERALE DU LUXEMBOURG

Avenue J.F. Kennedy, 50
L – 1855 Luxembourg
Tel. 352-42.42.1
Fax 352-42.42.25.79
<http://www.bgl.lu>
E-mail: info@bgl.lu

Founded in 1919, Banque Générale du Luxembourg is one of the largest banks in the Grand Duchy of Luxembourg. Active in domestic and international markets, it has played a key role in the development of Luxembourg as a financial center. In 2000 Fortis NV acquired 53% of Banque Generale du Luxembourg.

CLEARSTREAM INTERNATIONAL

Clearstream International
Place Winston Churchill, 3-5
L - 2964 Luxembourg
Tel. 352-45.11.01
Fax 352-45.11.08.289
<http://www.clearstream.com>
Email: ytheis.ci@clearstream.com

Clearstream Banking Luxembourg
Boulevard Grande-Duchesse Charlotte, 67
L - 2967 Luxembourg
Tel. 352-44.99.21
Fax 352-44.99.28.210
Email: marketing@clearstream.com

Clearstream International is the premier international clearing and settlement organization offering services for domestic and cross-border bonds and equities as well as investment funds. The company was formed from the merger of Cedel International and Deutsche Börse Clearing. It is 50% owned by Deutsche Börse, the Frankfurt-based stock-exchange operating company.

DEXIA BANQUE INTERNATIONALE À LUXEMBOURG

Route d'Esch, 69
L – 2953 Luxembourg
Tel. 352-45.90.20.07
<http://www.bil.lu>
E-mail: contact@dexia-bil.com

The International Bank Luxembourg was born in 1856, based on the model of the Bank of Sachsen-Weimar, and was Luxembourg's first bank to have the right to issue banknotes. It retains this right under its current name, Banque Internationale à Luxembourg.

In October 1996, the Crédit Communal de Belgique formed an alliance with the Crédit Local de France to create the Pan-European banking group Dexia. The Dexia group owns 99.3% of the shares of the BIL.

AMERICAN EXPRESS BANK (LUXEMBOURG) S.A.

34 avenue de la Porte-Neuve
L-2227 Luxembourg
Tel. 352-24.18.91
Fax 352-47.24.19

THE BANK OF NEW YORK

6D route de Treves
L- 2633 Senningerberg
Tel. 352-26.34.77.5005
Fax 352-26.34.05.71

BANKERS TRUST LUXEMBOURG S.A.

14, boulevard F.D. Roosevelt
L-2450 Luxembourg
Tel. 352-46.02.41
Fax 352-47.31.36
<http://www.bankerstrustiowa.com>

BROWN BROTHERS HARRIMAN (LUXEMBOURG) S.A.

33, boulevard Prince Henri
L-1724 Luxembourg

Tel. 352-47.40.66.1
Fax 352-47.05.80

Brown Brothers Harriman provides commercial banking and investment advisory services.

CHASE MANHATTAN BANK LUXEMBOURG S.A.

5, rue Plaetis
L-2338 Luxembourg
Tel. 352-46.26.85.1
Fax 352-22.45.90

CITIBANK (LUXEMBOURG) S.A.

58, boulevard Grand-Duchesse Charlotte
L-1330 Luxembourg
Tel. 352- 45.14.14.1
Fax 352-45.14.14.75

Citibank Luxembourg operations are in corporate finance.

MORGAN STANLEY BANK LUXEMBOURG

6C, route de Trèves
L-2633 Senningerberg
Tel. 352-34.64.61
Fax 352-346.46.222

STATE STREET BANK LUXEMBOURG S.A.

47, boulevard Royal
L-2449 Luxembourg
Tel. 352-46.40.10.1
Fax 352-46.36.31
<http://www.statestreet.com>

State Street specializes in serving institutional investors. They provide information services, custody, securities lending, investment management, performance and analytic measurement, cash management, and record keeping.

REPUBLIC NATIONAL BANK OF NEW YORK (LUXEMBOURG) S.A.

32, boulevard Royal
L-2449 Luxembourg
Tel. 352-47.93.31.1
Fax 352-47.93.31.226

6. TRADE REGULATIONS AND STANDARDS

As most of Luxembourg's trade regulations and standards are issued in accordance with those of the EU, please refer to the Country Commercial Guide for the European Union. It is available on the Showcase Europe website located at <http://www.sce.doc.gov> and on the State Department website at http://www.state.gov/www/about-state/business/com_guides.

Trade Barriers

Luxembourg maintains an excellent and open trading climate for American companies, with government leaders at all levels very supportive of free trade. Luxembourg's business is traditionally heavily oriented to the markets of neighboring countries, and exports account for some 80% of the country's production. This economic integration explains why many industrial and commercial groups have, over recent years, been established in Luxembourg with a view to developing into the European market.

As a member-state of the European Union, Luxembourg applies the European Community's common customs tariff and all Community regulations affecting customs legislation, as well as the Common Agricultural Policy.

Effects of the Single Market

Luxembourg is a member of the EU single market, comprising some 370 million consumers and, as a consequence, participates in the process of developing or implementing harmonized product standards applicable in all 15 member-nations. There is also a single duty among all EU members on products coming from non-EU countries. Value Added Taxes (VAT) rates are still in the process of being harmonized among the fifteen members. The EU became borderless as of January 1, 1993, allowing for the free movement of goods and services but not, as yet, labor between member-nations. American companies should consider these developments (harmonized standards, duties, VAT, etc.) as features that facilitate their access into the EU Single Market and will ease the process of doing business in a regional market.

Nonetheless, the EU continues to consist of fifteen different and unique markets. For example, the Single Market will not eliminate language and cultural differences between national markets. It will also not eliminate differences in consumer buying patterns or distribution channels. Few distributors have the capability to effectively distribute a product or service in all fifteen member states. This problem is compounded by the legal differences in treatment of agents and distributors between the EU members.

Most American firms should therefore consider maintaining a number of distributors in Europe. It is also vital to obtain sound legal advice in each country. This need to support multiple strategic and marketing programs will certainly limit the benefits, which a company would hope would accrue from the EU single market.

Environmental Regulations

The installation and operation of equipment and/or a site for waste disposal are subject to authorization by the Ministry for the Environment. Authorization will be granted only if the proposed activity is shown to offer adequate protection of public health and the environment. Authorization may be subject to conditions governing in particular the technical equipment at the disposal of the applicant and/or operator.

In order to implement the law of July 27, 1993, which involves economic development and diversification, there have been a number of support schemes created as incentives. One addresses the need for improved protection of the natural and human environment, and another addresses the need for more rational use of energy resources. The support scheme for environmental protection and the rational use of energy addresses the following operations:

- specific investments whose aim is to prevent, reduce or eliminate emissions into the atmosphere, water and the soil, or to prevent, reduce or eliminate pollution by noise, odor, vibration or radiation;
- specific investments whose aim is to prevent, reduce, recycle or eliminate waste produced by manufacturing or development, or aimed at the rational management of waste produced by manufacturing or exploitation activities;
- specific investments aimed at implementing a rational use of energy or of renewable sources of energy.

A subsidy may be granted of up to 25% of the expenditure arising from the investment. The law was amended in 1999 to simplify application procedures for industrial trade licenses.

Cattle Growth Hormone Ban

The EU bans imports of U.S. hormone-treated beef and all high-value products containing hormone-treated meat. This has led to the decrease in U.S. agricultural sales in EU member states including Luxembourg.

Customs Regulations

Tariff Rates

As a member of the EU, Luxembourg applies the EU common external tariff to goods imported from non-EU countries. For goods imported into Luxembourg from other EU countries, no customs duties apply unless the goods contain components imported from outside the EU upon which customs duties have not been paid in another EU country. Import duties are based on Cost Insurance Freight (CIF) price paid for the goods.

Value Added Tax (VAT)

Goods imported into Luxembourg or made in Luxembourg are normally subject to a Value Added Tax (VAT) payable upon importation if Luxembourg is the destination of the goods being shipped into the EU. The standard rate of VAT in Luxembourg is 15%, currently the lowest in the European Union.

Import License Requirements

If your company wants to be the importer of record rather than your sales representative, most products may be imported or exported without prior license. However, certain listed products and products from certain countries are subject to an import license, for further information contact:

Ministry of Economic Affairs
19-21, Boulevard Royal
L-2449 Luxembourg
Tel: +352/ 478-1
Fax: +352/ 46-04-48

Export Controls

The Bureau of Export Administration (BXA) is responsible for the licensing of exports out of the United States. There is no longer a distinction between validated licenses and general licenses—either you need a license or you do not need a license (NLR: No

License Required). An export license would be required for reasons of national security, foreign policy, and short supply. You can submit form 748P, obtained at your local Department of Commerce office, to the BXA to determine your license requirements. For more information on the Bureau of Export Administration, visit the website at www.bxa.doc.gov.

As a member of the European Union and the former COCOM (Coordinating Committee for Multilateral Export Controls), Luxembourg follows the common regime, and applies the proscribed lists generated by both organizations. As the COCOM regime is replaced by the Wassenaar Arrangements on Export Controls for Conventional Arms and Dual-Use Goods and Technologies and as new lists develop, Luxembourg will utilize those lists to apply the export control procedures outlined above.

Import/Export Documentation

European Community Ministers agreed in 1991 to abolish virtually all customs documentation on goods moving between EU countries by January 1, 1993. However, countries outside the EU are still required to obtain proper customs documentation. The following is a summary of the documentation needed for U.S. exporters of goods to Luxembourg, which is however, subject to rapid change without notice. U.S. exporters should always consult a reputable freight forwarder regarding recent changes in customs documentation and import/export regulations.

Shipping Documents

Mail and parcel post shipments require postal documentation in place of bills of lading. Air cargo shipments require airway bills (in place of bills of lading) with the number of copies issued based on the requirements of the importer and the airline used. Follow IATA and/or ICAO (International Civil Aviation Organization) in addition to all other applicable national and/or international regulations governing labeling and packing of dangerous and restricted goods, as well as issuance of the special shipper's certificate required under IATA rules for such items (airlines will supply this form). ICAO rules may also require documents covering such shipments (airlines will supply information and forms, if so required). U.S. exporters must also follow U.S. government requirements regarding export control documents, including the shipper's export declaration.

Consular/Customs Invoice

Neither document is required in Luxembourg.

Commercial Invoice

The commercial invoice must be produced in triplicate. There are no requirements in form but must contain the following: date and place of shipment, name/firm; address of seller and buyer; mode of transport; number; kind and markings of the packages and their numerical order; and an exact description of goods (a customary commercial description according to kind, quality, grade, and weight, both gross and net, in metric units. Special emphasis should be placed on any factors which increase or decrease the value of the goods; agreed price of goods—unit cost, total cost F.O.B. factory plus shipping, insurance and other charges; delivery and payment terms; country of origin of goods; and the signature of the exporting firm. It is useful if the commercial invoice contains the HTS code (Harmonized Tariff Schedule/Schedule B). This is not mandatory, but helps customs authorities recognize the commodity and properly classify it for customs purposes. The first four digits of the eight-digit code are harmonized worldwide.

Additional information may be requested by the importer, under terms of a letter of credit, or due to the nature of a particular trade.

Pro-forma Invoice

A pro-forma invoice is acceptable in lieu of a commercial invoice. It should include a complete description and the value of the goods shipped. It is mostly used in cases where no actual invoicing between the shipper and the consignee exists.

Bills of Lading (B/L)

Generally, to order bills are acceptable. Bills of lading should bear the name of the party to be notified. The consignee needs the original bill of lading to take possession of the goods. Express bills of lading are also acceptable. These B/L's help speed up the process in cases where bank financing is not necessary. With an express bill of lading, goods are automatically transferred to the designated consignee without presentation of the original B/L. This is ideal for internal company shipments of goods sold on open account.

Packing List

This is not a mandatory document. However, including a packing list facilitates customs' clearance of goods.

Certificate of Origin

A certificate of origin is generally not required under Luxembourg regulations for imports from the U.S., provided the goods are of U.S. origin and marked as such. The importer, bank, or a clause in the letter of credit may request a certificate of origin. There are no regulations concerning the form and preparation of the certificate, but the Chamber of Commerce must certify the data and will often require an additional notarized copy for its files. Under EU regulations, certificates of origin may be required for stipulated goods, including goods subject to surveillance and/or quota requirements. Goods covered by either of the systems usually require certificates of origin irrespective of the actual origin of the goods. Importers will instruct their suppliers when certificates of origin need to be issued.

Insurance Certificate

Normal commercial practices apply. Follow the instructions of the importer and the insurance company.

Temporary Entry

Luxembourg is a member of the worldwide ATA Carnet System, which can serve as your Merchandise Passport. An ATA Carnet is an international Customs document that simplifies Customs procedures for the temporary importation of commercial samples, professional equipment, and goods for exhibitions and fairs. The Carnet facilitates international business by avoiding extensive Customs procedures, eliminating payment of duties and value-added taxes (minimum 20% in Europe), and eliminating the purchase of temporary import bonds. ATA Carnets save time, effort, and money. For more information contact the United States Council for International Business:

USCIB ATA Carnet Customer Service Department
(212) 354-4480
Email: atacarnet@uscib.org

<http://www.uscib.org/carnet/carnet.htm>

Labeling, Packaging Requirements

Until recently, each EU country individually regulated its domestic industries for packaging and labeling. As a part of the EU's 1992 Single Market program, the EU is now attempting to remove technical barriers by harmonizing existing European legislation and establishing new rules, where necessary, so that goods sold in one EU country can be marketed easily in any other EU country. However, differences still exist from country to country. In addition, national requirements exist side by side with EU-wide requirements. The following is a review of packaging and labeling regulations in Luxembourg affecting U.S. exporters. The review covers both national and EU-wide aspects of packaging and labeling in Luxembourg.

What language(s) to use

Although Luxembourgish (Lëtzebuergesch) is the national language of Luxembourg, it is most appropriate to label in either French or German.

Labeling and other Requirements

With only minor exceptions, there are no general labeling requirements for Luxembourg imports. Requirements for specific products should be obtained from the importer. Certain commodity imports, including numerous foodstuffs, are subject to special labeling regulations that require the label show the name of the manufacturer, composition, content (in metric units) and country of origin. These special, highly detailed, and diverse regulations relate largely to health and quality standards and are embodied in formal Luxembourg legislation and EU Directives. Given the complexity of this field, information should be requested from the importer prior to shipment.

An EU Directive was introduced which would prohibit labeling in both the English and metric systems. Originally planned to be implemented in 2000, this Directive has tentatively been pushed back to 2010.

Prohibited Imports

Few products are prohibited for importation into Luxembourg. Among these limited items are endangered species, including those listed in the CITES convention. Also prohibited from importation are weapons such as swordsticks, daggers, bludgeons, rifles above 20 caliber, and antipersonnel mines. American-raised beef treated with hormones also may not be imported under EU regulations. Since the list of prohibited items is subject to change, please contact the Luxembourg Embassy in Washington, D.C. for the latest information.

Standards

ISO 9000 (International Standards Organization) in Europe
ISO 9000 (EN 29000 in Europe, ANSI/ASQC Q 90 System in the U.S.) defines the basic requirements for a manufacturing quality control system. It includes documentation controls, and worker training. Its aim is to ensure that a manufacturer's product will remain the same regardless of when it is taken off the production line. In other words, ISO 9000 is designed to ensure a consistent level of product quality. ISO 9000 standards are unlike engineering standards, which contain units of measurement, test

methods, and specifications. Rather, ISO 9000 standards encompass certain generic management practices designed to benefit both the producer and end user.

In today's marketplace, quality is a competitive advantage. According to recent statistics, some 50,000 EU companies now have some form of ISO 9000 registration. While voluntary, European manufacturers are increasingly requesting that their suppliers be ISO 9000 registered. In addition, more and more European importers are making the same request of their European and American suppliers. The ISO 9000 registration process is not cheap, and market demand for registration varies across product and service sectors. It is important to note that ISO 9000 registration does not guarantee quality, since it is more concerned with product consistency than product quality. It also does not ensure that a U.S. product will meet the various standards incorporated into EU Directives covering a host of products.

Product and Technical Standards

There are a number of EU-wide and member-state standards governing various product categories, as well as health and safety standards, which cut across product categories. When considering the Luxembourg and broader European market, an American company needs to consider which mandatory product standards may apply to its products or services. An importer is one source for acquiring this information, at least in the initial inquiry stages.

Recycling, Packaging, and Waste Management

Practically all member states of the EU have now taken legal steps to implement the EC Packaging Directive 96/62/EC of 1994. American companies should focus on three major implications of this Directive:

1. Different schemes of recycling and packaging: A kind of European standard has developed through the collective scheme, in that industry and trade have set up joint ventures at the national level to finance and organize the recovery and recycling of packaging. Several such schemes are Duales System Deutschland in Germany, Eco-Emballages in France, Alstoff Recycling Austria in Austria, FOST Plus in Belgium, Valorlux in Luxembourg, Ecoembalajes in Spain, Sociedade Ponto Verde in Portugal, REPA in Sweden, REPAK in Ireland, VALPAK in the U.K. and CONAI in Italy.

The collective systems are open to U.S. companies. After opening the systems to economic operators in general, the packaging directive (94/62) clearly says that these systems shall also apply to imported products under non-discriminatory conditions, including the detailed arrangements and any tariff imposed for access to the systems, and shall be designed so as to avoid barriers to trade or distortions of competition, in conformity with the Treaty.

2. Labeling of recycling marks: it is not yet harmonized. The green dot trademark is either in use or will be introduced as a financing mark for the recovery and recycling of packaging, not only in Germany, but also in France, Austria, Belgium, Luxembourg, Spain and Portugal. The idea was developed by Pro Europe, a joint organization funded by the European collective scheme.

3. The Regulation Review Process (1996): establishing marketing requirements, indicating recyclability and/or reusability for packaging. Particularly, art. 4 prohibits the application of other symbols than those set up in the Directive to indicate recyclable or

reusable packaging. This will require some U.S. firms to create new molds solely for use in the European market.

For further information, please consult the European Union Commercial Guide.

Electronic Waste

The European Union has begun drafting legislation regarding electronic waste. As with waste legislation in other areas, notably packaging, the impetus for the commission's initiative has come from existing or proposed member-state legislation. There are two types of legislation pending. One deals with batteries, accumulators, and end of life vehicles; the other concerns waste of electrical and electronic equipment (WEEE). For more information, please refer to the section regarding trade barriers in the European Union Commercial Guide.

Eco-labels

The Commission of the European Union has published the first ecological criteria for the award of the eco-label for washing machines, dishwashers, paper towels, toilet paper and soil improvers, as well as other goods. The eco-label scheme, which is voluntary, will remain voluntary as it is dealt with on an EU level. Council regulation number 880/92 on the community eco-label award scheme provides for the establishment of ecological criteria for specific product groups to enable verification of the reduced environmental impact of qualifying products. This is based on analysis of the life cycle for the product, from manufacturing (including choice of raw materials) through distribution, consumption and use, and finally, disposal after use. The regulations require member states to designate competent bodies to assess applications for the eco-label based on these criteria.

Manufacturers or importers in the community may apply for an eco-label only to the competent body or bodies designated by the member-state in which the product is manufactured or first marketed, or into which the product is imported from outside the EU. In the future, markings will have to be displayed to indicate the reusability or recyclability of the package, while manufacturers could use voluntary markings to indicate the nature and the percentage of recycled material of the packaging. While voluntary, eco-labels may become important marketing tools to consumers, as well as a de minimis requirement demanded by EU importers and end-users of American products. Products that may be expected to carry the eco-label include textiles, detergents, dish-washing agents, cleaning agents, paints and varnishes, batteries, shampoos, packaging, refrigerators and freezers, tiles, shoes, cat litter, light bulbs and hair sprays.

Conformité Européenne (CE) Mark in the European Union

The Conformité Européenne (CE) mark is a European proof of conformity with the essential health, safety, and environmental requirements of the harmonized EU product safety directives. The mark indicates that the manufacturer has satisfied all the assessment procedures specified by law for its products. The CE mark is not a quality mark and only signifies to surveillance authorities that the product is in compliance with the EU legislation. It is the accompanying declaration of conformity that provides the details of the Directive(s), to which the product complies and the standards that were relied upon in assuring compliance. The EU Directives deal with large families of products or horizontal risks such as those addressed in the Electromagnetic

Compatibility Directive. The following directives (with reference between brackets) have been adopted and are now enforced:

Low Voltage [73/23/EEC]
Simple Pressure Vessels [87/404/EEC]
Safety of Toys [87/378/EEC]
Construction Products [89/106/EEC]
Electromagnetic Compatibility [98/336/EEC]
Machine Safety [89/392/EEC]
Personal Protection Equipment [89/686/EEC]
Non-automatic Weighing machines [90/384/EEC]
Active Implantable Medical Devices [90/385/EEC]
Gas Appliances [90/396/EEC]
Telecommunications Terminal Equipment [91/236/EEC]
New Hot-water Boilers [92/42/EEC]
Explosives for Civil Uses [93/15/EEC]
Medical Devices [93/42/EEC]
Equipment for Explosive Atmospheres [94/9/EEC]
Recreational Craft [94/25/EEC]
In vitro Diagnostic Devices [98/79/EEC]

Most of the Directives above are amended by Directive 93/68/EEC entitled Rules for the Affixing and Use of the CE Conformity Marking.

For an explanation of the European Union and its governing European Directives, please refer to the European Union Commercial Guide.

Free Trade Zones

Luxembourg has no free trade zones, but Cargolux provides bonded warehouse services at the Luxembourg airport.

For More Information

The following are key contacts in the United States and Luxembourg for further information about Luxembourg and EU-wide packaging, labeling laws, standards, the CE Mark and EU Directives.

United States

Office of European Union and Regional Affairs (OEURA)

U.S. Department of Commerce

Contact: Bob Straetz

Tel: (202) 482-4104

Fax: (202) 482-2897

National Center for Standards and Certification

Contact: JoAnne Overman

Tel: (301) 975-4040

Fax: (301) 926-1559

U.S. Trade Representative for Europe and the Mediterranean

Contact: Catherine Novelli

Tel: (202) 395-3320
Fax: (202) 395-3974

U.S. Trade Representative, Technical Trade Barriers
Contact: Suzanne Troje
Tel: (202) 395-3063
Fax: (202) 395-5674

Europe

U.S. Embassy Luxembourg
22, Blvd. Emmanuel Servais
L-2535 Luxembourg
Tel: +352/ 46-01-23
Fax: +352/ 22-64-57

U.S. Mission to the EU
Contacts: Charles Ford (Senior Commercial Officer)
Suzanne Sene (Standards Officer)
Tel: +32/2 508-2746 (Ford), +32/2 508-2674 (Sene)
Fax: +32/2 513-1228
Administration des Douanes et Accises (Customs and Excise Department)
26, place de la Gare
L-1616 Luxembourg
Tel: +352/ 29-01-91-1
Fax: +352/ 49-87-90
<http://www.etat.lu/DO>

Chambre de Commerce du Luxembourg
External Trade Department
Tel: +352/ 42-39-39-310
Fax: +352/ 43-83-2
Additional information can also be found online at:

European Union Server
<http://europa.eu.int>

American National Standards Institute
<http://www.ansi.org>

Chamber of Commerce of the Grand Duchy of Luxembourg
<http://www.cc.lu>

American Chamber of Commerce in Luxembourg
<http://www.amcham.lu>

7. INVESTMENT CLIMATE

Luxembourg, the smallest member-nation of the European Union (EU), is situated among France, Germany, and Belgium in the heart of Europe. As one of the EU's

strongest economic performers, it offers investors a prosperous, diversified, and stable business climate. As a result, Luxembourg continues to attract a large volume of capital investments, principally from the United States. In fact, Luxembourg's top three foreign investors are American firms.

Luxembourg currently maintains the highest GDP per capita (USD \$42,400) within the EU and has experienced a record of steady non-inflationary economic growth since 1985. Positive economic performance is expected to continue in the foreseeable future. Luxembourg's government is pro-business and its political environment is characteristically stable. The government of Luxembourg provides a variety of incentives to foreign investors, including subsidies, tax relief, legislation protecting investors' rights, and a transparent regulatory structure. Its multilingual labor force is efficient, educated, and highly productive; labor strife is minimal. Additionally, as a renowned banking center, Luxembourg offers open capital markets and does not impose restrictions on monetary transfers.

Openness to Foreign Investment:

Luxembourg's government actively promotes foreign investment. The moderate center-left and center-right parties, which support private enterprise, have traditionally formed the Luxembourg government. The country's economic policies bolster its business-friendly tax and regulatory environment. Luxembourg also provides a wide range of financial incentives and assistance to foreign investors including capital grants, low-interest loans, and tax credits. To facilitate an investor's access to government assistance, a single coordinating authority negotiates all aid, thus reducing administrative procedures to a minimum.

The small business framework law of July 29, 1968 is designed to aid individual and firm operations in the following sectors: skilled crafts and distribution, hotel and restaurant services, and transport. Investments which are largely self-financed may be eligible for a capital subsidy. Real estate investments also qualify for subsidies up to 15 percent while moveable property subsidies are available up to 25 percent. Associations, cooperatives and other organizations may qualify for subsidy rates of up to 45 percent on investments. In addition, interest subsidies, first time business bonuses, and expert assistance are available. Further information can be obtained from the Ministry of the Economy or Chamber of Commerce.

The 1993 economic development and diversification law is aimed at improving the general structure and regional balance of the economy by encouraging investment, restructuring, and research and development projects. This law targets four separate areas: small- and medium-sized businesses, various developing regions in Luxembourg, basic and industrial research, and environmental protection and the rational use of energy. Further information can be obtained from the Ministère de l'Économie (19-21, Boulevard Royal, L-2449 Luxembourg, Tel: +35/2 478-1, Fax: +35/2 460448, <http://www.etat.lu/EC>).

Right to Private Ownership and Establishment

Under Luxembourg law, both domestic and foreign private entities are guaranteed the right to establish business enterprises. The law also protects the right to acquire or sell interests in business enterprises.

Luxembourg does not enforce restrictions targeted specifically at foreign investors. As such, foreign investors may enter into joint ventures and partnerships on the same basis as domestic partners.

Protection of Property Rights

Luxembourg's judiciary system is independent and effectively enforces property rights, and meets the highest standards in protecting intellectual property rights.

Patents

Luxembourg is a member of the World Intellectual Property Organization (WIPO) and the European Patent Convention (EPC). A single European patent valid throughout the EU does not currently exist. However, such a patent may be implemented once the Community patent convention comes into force. In the interim, a patent applicant can choose between a national and a multi-country patent. The latter, valid in a number of countries within the EU, as well as Liechtenstein, Monaco and Switzerland, requires the submission of a single application to the European Patent Office in Munich. A patent thus granted will only be valid in Luxembourg if a copy of the grant is filed in one of Luxembourg's three official languages: French, German, or Luxembourgish.

Trademarks

The EU Trademark Office, to which applications for EU trademarks should be directed, is located in Alicante, Spain. The Uniform Benelux Law of 1962 regulates trademarks in Luxembourg and offers protection in Belgium and the Netherlands as well. A trademark application can be filed with the Luxembourg Intellectual Property Office in the Ministry of Economic Affairs (<http://www.etat.lu/EC>) or with the Benelux Trademark Office located in the Netherlands (Benelux Trademarks Office, Bordewijklaan 15, NL-2591 XR The Hague, Tel: +31/70 349-1111, Fax: +31/70/347-5708, <http://www.bmb-bbm.org>). Once an application is submitted, the office performs a required search for the existence of a duplicate trademark under the same category of product. If no duplication is found, a trademark is granted which protects the product for ten years from the date of application. A trademark can be renewed for additional periods of ten years and must generally be used within three years of registration.

Trademark Exhaustion

A European Union directive regarding trademarks applies the principle of community exhaustion under which parallel imports into the EU are prohibited without approval of the trademark holder or his/her authorized distributor. Luxembourg and its Benelux partners previously allowed parallel imports. Although a few cases concerning trademark exhaustion have reached the Luxembourg trade courts, decisions as to whether community exhaustion has replaced universal exhaustion in Luxembourg have been inconsistent.

Copyrights

Luxembourg is a member of the Bern Convention, managed by WIPO, and the Universal Copyright Convention (UCC), managed by UNESCO. As a member of the UCC, to which the United States and 50 other countries belong, Luxembourg accords automatic copyright protection to works produced in other UCC countries. Protection exists for life of the author and 50 additional years postmortem. American firms wishing to protect their copyrights in Luxembourg should consult local legal counsel.

Trade Related Aspects of Intellectual Property Rights (TRIPS)

Luxembourg has fully implemented the World Trade Organization (WTO) Agreement on TRIPS.

Performance Requirements and Incentives

Foreign investors in Luxembourg may be eligible for either personal income tax or corporation tax relief. Assistance is only applicable on tangible assets not including buildings, agricultural livestock, and mineral or fossil reserves made during the accounting year. The rate of tax relief on additional investments is 12 percent.

The Société Nationale de Crédit et d'Investissement (SNCI—National Credit and Investment Corporation) grants medium and long term loans for industrial and service projects. These loans cover business equipment, buildings, and safety equipment used solely for business purposes. They are generally 10-year loans though 15-year loan exceptions can be made. Loans usually total between 25 and 50 percent of the investment but may be greater.

In the case of exports, financing covering the Luxembourg portion of the export is available. Between 25 and 75 percent of the total value of the operation may be covered through financing. The SNCI may also purchase equity convertible to shares, acquire a share holding in a company, contribute capital to an established company, or participate in any organization or group aimed at establishing or reorganizing businesses. Innovation loans are available to industrial and service enterprises at a fixed rate of 5 percent per year. For further information, please contact:

Société Nationale de Crédit et d'Investissement
7 rue du Saint Esprit
L-1475 Luxembourg
Tel: +35/2 461971-1
Fax: +35/2 461979
Email: snci@snci.lu
<http://www.snci.lu>

National Investment Incentives

Luxembourg provides a wide range of financial incentives and assistance to foreign investors, including capital grants, low-interest loans, and tax credits. In order to facilitate new venture startup, the government may provide funding to companies for investment project on a case by case basis. Financial support may take the form of capital grants or medium and long-term loans privy to favorable conditions by the National Credit and Investment Corporation.

The government also dedicates public funds to the development of industrial parks for investors through its industrial zones program. The government can make premium land in one of the ten national industrial parks available for this purpose. Land is also available in municipal or regional business parks. The industrial sites, located on or close to major international roads and transportation axes, are fully equipped with public infrastructure including water, sewer, power, gas, and telecommunications. Many of the industrial parks are equipped with railway spurs connected to the international networks.

Transparency of the Regulatory System

The government of Luxembourg fosters competition through its transparent regulatory system. In comparison with other EU member states, Luxembourg's tax, labor, health, and safety laws are more effective in avoiding distortions or impediments to the efficient mobilization and allocation of investments.

Corruption

The Treaty of Rome provisions relating to corruption apply to any business activities which are likely to affect intra-EU trade. In particular, these provisions prohibit any agreement aimed at or having the effect of preventing, restricting, or distorting competition within the common market. As the vast majority of Luxembourg businesses have significant trading relations with firms in other EU member states, these provisions cover almost the entirety of Luxembourg's economic activity.

Luxembourg law regards unfair trading as any act contrary to the honest practices of industry or trade, or any agreement by which a trader, industrialist, or craftsman attempts to win away part of a competitor's customer base or to reduce his or her competitiveness.

Money-laundering

In an effort to combat perceptions that Luxembourg is a money-laundering center, in the late 1990s the Parliament passed legislation extending the scope of existing laws to cover monies obtained through all criminal activity. Luxembourg is now considered to have and enforce some of the most stringent legislation against money-laundering in the world.

Labor

Luxembourg's multilingual labor force is efficient, highly productive, and well educated.

Despite Luxembourg's very low unemployment rate, excess labor requirements often can be met by recruiting workers commuting from neighboring countries as well as immigrants from other EU member nations.

Traditionally, Luxembourg has not been subjected to industrial disputes. Conflicts are generally addressed through a broad system of negotiation between labor and management at both company and national levels. These arrangements have enabled Luxembourg to remain free from major strikes since 1921.

The United States and Luxembourg implemented an agreement on Social Security on November 1, 1993. Companies that have U.S.-based employees working in Luxembourg or Luxembourg personnel in the United States may be able to realize substantial tax savings as a result of this agreement. Duplicate coverage and taxation under the U.S. and Luxembourg Social Security systems was eliminated. Employers or employees who wish to know more about any aspect of the agreement should contact:

Social Security Administration

Office of International Policy
P.O. Box 17741
Baltimore, Maryland 21235
Tel: (410) 965-3548 or (410) 965-3554

Luxembourg's comprehensive social security package is composed of five major elements: sickness and maternity, retirement, family allowances, accidents, and unemployment. This extensive social security system relies on a series of independent public institutions organized into professional categories, each insuring against a particular kind of risk. In general, a board of elected representatives, including both employers and employees, manages these different categories.

According to Luxembourg law, the relationship between employer and employee is principally established on an individual basis. An employer must enter into a written contract with each of his or her employees. The respective rights and responsibilities of each party in this contract are governed by Articles 1979 et seq. of the Civil Code and by common law. Both employer and employee have the right to terminate a contract of employment, even against the wishes of the other party. Termination is a unilateral action, and subject to certain rules of form; it must also take due account of the appropriate period of notice prescribed by the law. Terminating the employment of a Luxembourg employee can be very expensive. In the event of gross misconduct, an employee may be dismissed immediately.

For further reference, the American Chamber of Commerce in Luxembourg (AmCham) has published *Working in Luxembourg*, a human resource guide for business and professionals. The guide outlines labor, union, and staff delegations, compensation and benefits packages, work permits, and several other areas of employment policy.

Efficient Capital Markets and Portfolio Investment

Luxembourg's comprehensive market-oriented legislation, in existence since the 1960s, has helped to build the country's reputation as one of the most important financial centers in Europe. The free movement of capital within Europe; expansive development of services in private banking; banking secrecy laws; and a high degree of professionalism further this reputation. In addition, the European Investment Bank, the European Court of Auditors, and the Directorate General for Credit and Investment are all headquartered in Luxembourg.

Luxembourg has over 200 banks, many of which play an important role in the Eurobond and ECU bond markets. The number of its investment funds is also steadily increasing. Luxembourg banks loan directly to individual and corporate entities in other European countries and in North America.

The Luxembourg Stock Exchange, which lists more than 19,000 international securities, including many Eurobonds, is another source of Luxembourg's financial strength. Luxembourg's regulatory provisions do not impose restrictions on investments made by persons or legal entities residing abroad. The total trading volume in 2000 was 2,819.9 million Euro, rising 11.2% from 2,499.4 million Euro in 1999.

Conversion and Transfer Policies

Payments and transfers require no prior authorization. Transactions may be executed in Belgian or Luxembourg francs as well as other currencies. The Luxembourg franc is fully convertible with no restrictions on either inward or outward, current and capital account transactions.

In order to comply with European Monetary Union convergence criteria Luxembourg's monetary regulator, l'Institut Monétaire Luxembourgeois (IML), was recently transformed into its first national Central Bank. In the period preceding EMU, Luxembourg was a leader in fulfilling convergence criteria. With the start of EMU on January 1, 1999, Luxembourg began using the euro for accounting purposes.

Dispute Settlement

Disputes in Luxembourg are settled based on the Luxembourg Model, which provides for constructive dialogue between labor, employers, and the government. This system has helped to minimize and where possible avoid labor conflicts in Luxembourg.

Political violence

The Embassy is unaware of any incident of politically motivated damage to foreign investments in Luxembourg in recent years.

Bilateral Investment Agreements

Luxembourg has bilateral agreements with a number of community member states and other countries, including Brazil, Canada, Cape Verde, Switzerland, Tunisia, and the United States.

Luxembourg continues to uphold its commitments to the bilateral investment treaties into which it entered as a member in the Belgium-Luxembourg Economic Union (BLEU). These agreements include those conducted with Bangladesh, Cameroon, Sri Lanka, China, the Czech Republic, Egypt, Hungary, the Republic of Korea, Malaysia, Morocco, Romania, Rwanda, Singapore, the Slovak Republic, Tunisia, and Turkey. Additionally, BLEU agreements have been signed, but not yet implemented, with Bulgaria, Burundi, Liberia, Mauritania, Malta, and Thailand. Outside the BLEU, but together, Luxembourg and Belgium, also signed investment treaties with Poland and Russia. These agreements provide for mutual protection of investments.

OPIC and other Investment Insurance Programs

Luxembourg's many foreign investors bring money into many different aspects of the economy; the United States currently ranks first among them. Large American firms such as Goodyear, Guardian and DuPont continually invest in subsidiaries and other endeavors in Luxembourg. Goodyear is currently the country's second largest private employer.

Foreign Direct Investment Statistics

There are approximately 60 American subsidiaries or company branches now operating in Luxembourg, making the U.S. the country's largest source of foreign investment.

Goodyear, DuPont and Guardian are among the largest employers of labor in the country.

The Luxembourg Ministry of Economic Affairs conducted a study on investments made by foreign companies in Luxembourg and those made by Luxembourg companies in other countries. The study is available by contacting the Service Central de la Statistique et des Études Économiques (STATEC) at +352/ 478-4268 or on the Internet at <http://www.statec.lu>.

8. TRADE AND PROJECT FINANCING

Brief Description of Banking System

Luxembourg is a major world financial center, hosting more than 200 international banks operating as universal banks with an unrestricted range of activities. Luxembourg is considered a tax haven due to its bank secrecy regulations, absence of exchange controls, lack of withholding on interest, and politically stable environment. Luxembourg banks generally loan directly to entities in other European countries and to North America. Total bank assets increased by 11% percent between 1999 and 2000, reaching LUF 25,417 billion (USD 552.6 billion). This strong growth trend is expected to be reflected in 2001 statistics. Luxembourg banks play an important role in both the Eurobond market generally and in the ECU bond market. In addition, Luxembourg acts as headquarters to all big six accounting firms and the EU Cour des Comptes (Court of Auditors).

Foreign Exchange Controls Affecting Trading

There are no foreign exchange regulations or limitations on the transfer of capital or profits in Luxembourg, except in exceptional situations such as the UN sanctions against Iraq and Libya. Luxembourg has run a persistent trade deficit over the past ten years, but enjoys an overall balance of payments surplus. This is due to the substantial revenues from the financial sector.

General Financing Availability

Luxembourg is a country that depends heavily on imports and exports. Consequently, the process of paying for imported goods is well understood by banking staffs—even in the smallest regional and local branches. The formalities for state aid are kept to a strict minimum. The Chamber of Commerce and the Ministry of the Economy handle applications. Every effort is made to help the enterprises concerned.

How to Finance Exports/Methods of Payment

Import duties and value added taxes (VAT) are applied to the CIF (cost insurance/freight) value of goods. The rate of import duties is the same as that applied by all European Union countries. Since products coming from other EU members enter Luxembourg duty free, U.S. products often start off with an average 5-6% price disadvantage. By offering favorable credit terms, U.S. suppliers can help their importers offset a portion of that higher price.

Types of Available Export Financing and Insurance

The Luxembourg banks offer the usual facilities provided in the banking world with regard to both the pre-finance of exports, to cover their cost during the period of manufacture, and long or short-term loans for the export itself. There are a number of direct aids to the finance of exports:

- Country-to-country loans
- Interest rebates on loans to finance the export of goods, granted by COPEL - the Comité pour la Promotion des Exportations Luxembourgeoises
- Export credits granted by The National Credit and Investment Corporation (SNCI).

The Ducroire Office, established by the Law of November 25, 1961 and underwritten by the State, encourages exports by providing guarantees against the risks involved - particularly those relating to credit. The Office can cover commercial and political risks. Its services are open to exporters or banks with risks abroad resulting from the export of Luxembourg products or services. Export guarantees can be given to cover payment over any length of time. To reach the secretariat of the Ducroire Office provided by the Luxembourg Chamber of Commerce, please phone them at +352/ 42-39-39-320.

Project Financing Available

In Luxembourg, public aid for business and investment projects is available in many different forms. Facilities are provided by the state and by the European Union, and include the following incentives:

- Funds may be raised through a capital grant awarded by the State or, if preferred, through a minority shareholding by the Société Nationale de Credit et d'Investissement (National Credit and Investment Corporation)
- Long term capital may be borrowed in the form of reduced-rate loans from the Société Nationale de Credit et d'Investissement or from the European Union.
- Loans contracted from private credit institutions may be eligible for an interest rebate from the Luxembourg Government or be underwritten by the Luxembourg State.
- Industrial land may be made available by local authorities and the government
- Up to 50% of the cost of research and development projects may be financed by the government
- Government grants are available for organizational studies.
- Various forms of tax relief are available as an incentive to new investment in Luxembourg.

List of Banks in Luxembourg with Correspondent U.S. Banking Arrangements

Citibank Luxembourg SA
58 Boulevard Grande-Duchesse Charlotte
L-1330 Luxembourg
Tel: +352/ 45 14 14-1
Fax: +352/ 45 14 14-75
<http://www.citibank.lu>

Chase Manhattan Bank Luxembourg SA
5 Rue Plaetis

L-2012 Luxembourg
Tel: +352/ 46 26 85-1
Fax: +352/ 46 26 85 416

Morgan Stanley Asset Management SA
Morgan Stanley Capital (Luxembourg) SA
6B, Route de Treves
L-2633 Luxembourg
Tel: +352/ 34 64 61
Fax: +352/ 34 64 6220

Republic National Bank of NY (Luxembourg) SA
32, Boulevard Royal
L-2449 Luxembourg

Major Luxembourg Banks

Banque et Caisse d'Épargne de l'État
(State and Savings Bank)
Place de Metz 1-2
L-2954 Luxembourg
Tel: +352/ 40 15-1
Fax: +352/ 40 15-2099
<http://www.bcee.lu>

Banque Internationale à Luxembourg
69 Route d'Esch
L-2953 Luxembourg
Tel: +352/ 4590 4826
Fax: +352/ 4590 2010
<http://www.bil.lu>

Clearstream International SA
67 Boulevard Grande-Duchesse Charlotte
L-2967 Luxembourg
Tel: +352/ 44 99 21
Fax: +352/ 44 99 28 210
<http://www.clearstream.lu>

9. BUSINESS TRAVEL

Business Customs

Business Hours

Government offices are open Monday through Friday from 8:00 a.m.-12:30 p.m. and from 1:30 p.m.-5:00 p.m. Banks are open Monday through Friday from 9:00 a.m.-4:30 p.m. Private companies are generally open from 8:00 a.m.-5:00 p.m. while shops and stores open at 9:00 a.m. and close at 6:00 p.m.

Languages

Luxembourgish, also spelled Lëtzebuergesch, is the native language spoken in the majority of homes. It has been recognized as the national language since 1984; both French and German remain official languages. German is the language of instruction beginning in first grade; French begins shortly thereafter. French is the official language of the administration, jurisdiction, parliament, education, and some literary circles. Daily newspapers are written mainly in German with some articles written in French. Many Luxembourgers, especially those in the business and government sectors, also speak English.

Time

GMT +1 (same as Berlin, Rome, Brussels, Amsterdam, Vienna, Paris, Madrid, etc.)

Travel Advisory and Visas

Visas are not required for U.S. citizens traveling in Luxembourg for less than 90 days. Resident visas are difficult to obtain for non-EU citizens. To obtain a residence visa, it is necessary to have a working permit, which are limited to managerial positions in foreign-owned companies and people with special skills that are unavailable in Luxembourg. It usually takes eight to twelve months to obtain a working permit and 18 months to obtain a professional card. Specialized lawyers established in Luxembourg can assist in the process.

Currency and Credit Cards

The Luxembourg Franc is the local currency. It is inter-exchangeable with the Belgian Franc. Most hotels and restaurants take credit and charge cards (Visa, MasterCard (Eurocard), American Express, or Diners Club).

Voltage

220/380 volts AC 50 three-phase current.

Work Week

Monday through Friday, 40 hours/week.

Luxembourg 2001 Holidays*

New Year's Day	January 1
Carnival (Shrove Monday)	February 26
Easter Monday	April 16
May Day (Luxembourg Labor Day)	May 1
Ascension	May 24
Pentecost (Whitsun) Monday	June 4
National Day (Grand Duke's Birthday)	June 23
Assumption	August 15
Luxembourg City Kermesse (City of Luxembourg only)	August 23 - September 10
All Saints' Day	November 1
All Souls' Day	November 2
stmas Day	December 25
St. Stephen's Day (Boxing Day)	December 26

* note: All U.S. Embassies are closed on American federal holidays

Business Infrastructure

Public transportation is readily available, and Luxembourg has excellent communication links with the rest of the world. Luxembourg is also home to extraordinarily rich media coverage, offering the broadest selection of television channels in Europe. TV viewers currently have access to a broad range of programs from around the world via satellite. The country is blessed with an intense and varied cultural life, and is highly regarded for its acceptance of foreign goods and persons and its overall lifestyle and family-oriented values system.

U.S. business travelers are encouraged to obtain a copy of the Key Officers of Foreign Service Posts: Guide for Business Representatives, available for sale by the superintendent of documents, U.S. Government Printing Office, Washington, D.C. 20402; Tel. (202) 512-1800; Fax (202) 512-2250. Business travelers to Luxembourg seeking appointments with U.S. Embassy Luxembourg officials should contact the Commercial Section in advance. The Commercial Section in Brussels can be reached by telephone at +32/2 508-2425, by fax at +32/2 512-6653, or by email at brussels.office.box@mail.doc.gov.

10. Appendices

Appendix A: Country Data

Population	441,092 (January 2001)
Population growth rate	1.90% (2001)
Religions	Historically, Luxembourg has been predominantly Roman Catholic, however, Luxembourg law prohibits the collection of data on religious practices.
Government type:	Constitutional monarchy
Chief of State:	Grand Duke Henri
Head of Government	
Prime Minister:	Jean-Claude Juncker (CSV)
Vice Prime Minister:	Lydie Polfer (DP)
Next national election:	Scheduled for June 2004
Languages:	Luxembourgish (Lëtzebuergesch), German, and French. English is widely spoken.

Appendix B: Domestic Economy

	1999	2000	2001
Gross Domestic Product	18.6	18.2	19.7
(at market prices; in billions U.S. dollars)			
GDP real growth rate	5.0%	5.6%	8.3%
GDP per capita	\$43,399	\$44,973	\$45,500
Government spending	5.9%	5.3%	3.6%
Inflation	1.5%	2.7%	2.7%
Unemployment	2.9%	2.8%	2.6%
Average Exchange Rate for USD (\$1=LUF)	38	38	N/A

*Figures estimated based on Statec figures.

Appendix C: Trade

	1999	2000
Total export (in billions)	\$7.67	\$8.76
Total imports (in billions)	\$10.7	\$11.8
U.S. exports (in millions)**	\$967	\$397.4
U.S. imports (in millions)	\$294	\$331.6

*Estimated

**Difference between exports 1999 and 2000 can be explained by the purchase of two Boeing 747 aircraft by Cargolux.

Appendix D: Investment Statistics

Principal Foreign Investors (FDI) (manufacturing)	1999 – 2000
United States	1,662 million
France	739 million
Belgium	317 million
Japan	153 million
Germany	140 million

Appendix E: U.S. and Country Contacts

Embassies

American Embassy
22, Boulevard Emmanuel Servais
L-2535 Luxembourg
Tel: +352/ 46-01-23
Fax: +352/ 46-14-01

U.S. Mail Address
U.S. Embassy
Unit 1410
APO AE 09126-1410

Gerald Loftus, Chargé d'Affaires a.i.
Monica Kwiecinski, Political and Economic Specialist

The Commercial Service in Brussels is responsible for business conducted in Luxembourg.

American Embassy
27 Boulevard du Regent
B-1000 Brussels, Belgium
Tel: +32/2 508-2425

Fax: +32/2 512-6653
<http://www.us-embassy.be>

George Knowles, Commercial Counselor
Angela Dawkins, Commercial Attaché

U.S. Mail Address:
U.S. Embassy
FCS/EMB
PSC 82, Box 002
APO AE 09710

Embassy of the Grand Duchy of Luxembourg
2200 Massachusetts Ave. NW
Washington, DC 20008
Tel: (202) 265-4171
Fax: (202) 328-8270

Arlette Conzemius, Ambassador

Luxembourg Consulates

17 Beekman Place
New York, NY 10022
Tel: (212) 888-6664
Fax: (212) 888-6116

Jean Graff, Consul General

One Sansome Street Suite 830
San Francisco, CA 94104
Tel: (415) 788-0816
Fax: (415) 788-0985

Patrick Nickels, Consul General

Chambers of Commerce

AmCham-Luxembourg
31, Blvd Konrad Adenauer
L-1124-Luxembourg - Kirchberg
Tel: +352/ 42-39-39-390
Fax: +352/ 43-17-56
<http://www.amcham.lu>

Paul Schonenberg, Executive Director.

Chambre de Commerce du Luxembourg

31, Blvd. Konrad Adenauer
L-2981 Luxembourg - Kirchberg
Tel: +352/ 42-39-39-311
Fax: +352/ 43-83-26
<http://www.cc.lu>

Luxembourg trade and industry associations

Fédération des Industriels Luxembourgeois
(Federation of Luxembourg Enterprises)
31, Blvd Konrad Adenauer
L-1124-Luxembourg - Kirchberg
Tel: +352/ 43-53-66-1
Fax: +352/ 43-23-28
<http://www.fedil.lu>

Appendix F: Market Research.

The following are market research reports available at www.usatrade.gov .

International Market Insight (IMI)—Cogeneration Plant
International Market Insight (IMI)—Personal Computers
International Market Insight (IMI)—Alternative Energy Sources
International Market Insight (IMI)—Major Luxembourg and U.S. Banks and Banking Services

Appendix G: Trade Event Schedule

Luxembourg International Trade Fairs information provided by La Société des Foires Internationales de Luxembourg (FIL—The International Trade Fair Company). The following information is accurate as of June 25th, 2001. Up-to-date information can be found on their website at www.fil.lu.

Trade Fairs and Trade Shows (subject to change)	2001	2002
Vakanz	January 19-21	January 18-20
Tourism Trade Show		
Sport Life	January 19-21	January 18-20
Europeinair	March 3-11	March 7-10
European Trade Show for Leisure and Open-Air		
Antiques and Fine Arts Show	March 8-11	March 7-10
Luxembourg Book Festival		
Telemedicine and Telecare		April 10-12
Trade fair is bringing suppliers of telemedicine equipment together with buyers, healthcare professionals, and institutional decision makers		
Luxembourg International Trade Fair	May 19-27	May 4-12
Spring-Fair (consumer goods)		
Intersafety	May 19-27	May 4-12
International Trade Show for Security		
Oeko-Foire	September 14-16	September 13-15
Environmental Expo		
Software and Internet Expo		October 2-3
Instrulux	October 10	
European Meeting point for instrumentation, automation, and laboratory		
Exposition Media Communication	October 10-11	
Luxembourg International Trade Fair		
Autumn-Fair (investment goods)		
Bureautec	October 23-26	
Interregional trade show for new media, office, and communication technology		
International Banking Seminar (in collaboration with INSIG, Paris)	October 25-26	